



PROJECT PLAN &
REINVESTMENT ZONE FINANCING PLAN
TAX INCREMENT REINVESTMENT ZONE NO. 2
CITY OF SAN MARCOS, TEXAS

AUGUST 2006

HAWES HILL CALDERON
LLP



Table of Contents

Project Overview

- TIRZ Concept
- Executive Summary
- Location
- Project Overview and Costs
- Benefits to Taxing Jurisdictions
- Statutory Requirements for Project and Finance Plans

Project Plan

1. Map Showing Existing Conditions/Proposed Improvements
2. Proposed Changes of Municipal Ordinances
3. List of Estimated Non-Project Costs
4. Method of Relocating Persons to be Displaced

Reinvestment Zone Finance Plan

1. List of Estimated Project Costs
2. Statement of Proposed Public Works/Public Improvements
3. Economic Feasibility Study
4. Estimated Amount of Bonded Indebtedness
5. Time When Costs or Obligations are Incurred
6. Financing Methods and Expected Sources of Revenue
7. Current Total Appraised Value of Property in the Zone
8. Estimated Captured Value of Zone in Each Year of Existence
9. Duration of Zone

Appendix

- Schedule A Residential Build Out
- Schedule B Commercial Build Out
- Schedule C Projected Assessed Taxable Valuations
- Schedule D Projected Zone Revenues



The TIRZ Concept

A tax increment reinvestment zone (TIRZ) is a financing tool created by the State Legislature to assist cities in developing or redeveloping blighted and substandard areas within their borders.

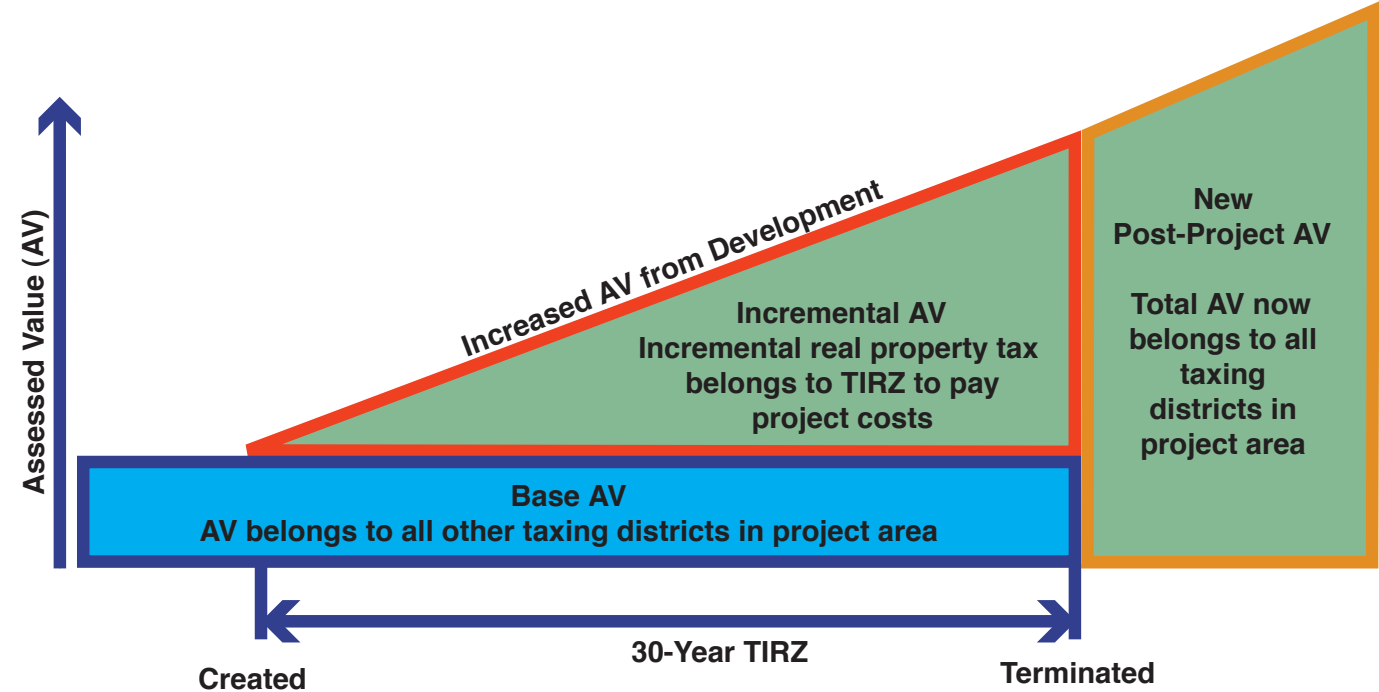
Cities may create a TIRZ where conditions exist that substantially impair an area’s sound growth and where development or redevelopment is not likely to occur but for public infrastructure enhancements financed by the zone.

Prior to creation, the statute requires preparation of a Preliminary Project Plan and Reinvestment Zone Financing Plan outlining specific projects to address the existing conditions and the method and means to finance those projects.

Upon creation, the total appraised value of real property located in the Zone is established for the year in which it was created. This is known as the base value. As new development occurs in the Zone due to the provision of new infrastructure, the value of real property increases.

This additional value above the base is known as the increment. It is set aside to finance infrastructure improvements within the Zone. Once all projects are complete or after a defined period of time, the TIRZ is dissolved and infrastructure is conveyed to the city.

During the life of the Zone, usually 30 years, the city and other participating taxing jurisdictions collect tax revenue on the base value of the Zone as well as sales tax and franchise fee revenue generated by new development. When the zone is dissolved, the city and other participating taxing jurisdictions collect tax revenue on the incremental value created by new development as well.



Executive Summary

The proposed City of San Marcos Tax Increment Reinvestment Zone (TIRZ) Number Two consists of a 575-acre tract of vacant and agricultural land located near the city's northeastern boundary.

While the site holds great potential due to its location, it lacks the infrastructure necessary to support commercial and residential development. As such, the site is not likely to be developed beyond its current use but for creation of a TIRZ or similar mechanism.

The City of San Marcos TIRZ #2 has been proposed to help pay for infrastructure costs to facilitate a new single-family development consisting of approximately 2,080 homes and sites for commercial and light-industrial use. Proposed infrastructure improvements are primarily related to an overpass on Yarrington Road at its intersection with the Union Pacific Railroad.

The public improvements proposed in this plan would convey a direct benefit to the city and the county both in terms of quality regional growth and new sales and ad valorem tax revenues.

It is estimated that the city and county combined will collect nearly \$57 million in new sales tax, franchise fee, and ad valorem tax revenue over the 30-year life of the TIRZ due to residential and commercial development associated with this project.

In addition, the \$7.8 million overpass will improve regional mobility, increase safety and security for area residents, and complete the first leg of a loop around the City of San Marcos.

Under this proposal, the city would agree to reimburse the developer from revenue generated by the TIRZ itself for the railroad overpass and related right-of-way costs.

The city would incur no capital improvement costs, but would retain ownership of the infrastructure once built. Over the life of the TIRZ, the city would continue to collect the base real property tax revenue as well as new sales tax and franchise fee revenues generated by the development.

The entire project includes \$31.7 million in infrastructure improvements, \$260.8 million in residential development, and \$11.5 million in commercial development. The total value of the proposed development is \$304 million.



Location

As proposed, the City of San Marcos TIRZ #2 would be bounded generally by the Blanco River, Post Road, Old Stagecoach Road, and Yarrington Road (proposed State Loop Highway 110). All of the land is located in and near the City of San Marcos, Hays County, Texas and is predominantly vacant or agricultural. Total land contained in the TIRZ is approximately 575 acres.



Project Overview and Costs

This table summarizes the public infrastructure costs to be financed by the proposed TIRZ and other participating entities. In this proposal, the developer would fund project costs listed under TIRZ Projects and then be reimbursed by the TIRZ at such time as the appropriate level of assessed valuation is in place. Non-TIRZ Projects include those not reimbursed or funded by the TIRZ.

Proposed Distribution of Public Infrastructure Costs

Projects	TIRZ Projects	Non-TIRZ Projects	Total
Railroad Overpass			
Site Preparation	\$191,000		\$191,000
Sanitary Sewer	\$50,000		\$50,000
Detention Ponds	\$205,000		\$205,000
Surface	\$4,850,000		\$4,850,000
Engineering/Survey/Geotechnical	\$993,050		\$993,050
Contingency	\$146,067		\$146,067
Municipal Fees - ROW Acquisition*	\$400,000		\$400,000
Electrical Line Relocation	\$500,000		\$500,000
Bonding - Subdivision	\$100,000		\$100,000
Project Mobilization	\$300,000		\$300,000
Traffic Control	\$55,000		\$55,000
Landscaping - Median	\$50,000		\$50,000
Developer Contribution to Overpass		\$1,000,000	\$1,000,000
Public Use Facilities			
Land for School - 11.5 acres		\$575,000	\$575,000
Land for Parks - 3.7 acres		\$185,000	\$185,000
Land for Recreation Center - 3.7 acres		\$185,000	\$185,000
Land for Fire Station - 2.8 acres		\$140,000	\$140,000
Recreation Center Facilities		\$1,500,000	\$1,500,000
Fire Station Facilities		\$2,500,000	\$2,500,000
Residential Development			
Water/Sewer/Storm Sewer/Detention		\$7,042,711	\$7,042,711
Surface		\$3,442,033	\$3,442,033
Engineering/Planning/Landscape Architecture		\$416,836	\$416,836
Landscaping		\$6,947,667	\$6,947,667
Total	\$7,840,117	\$23,934,247	\$31,774,364
	25%	75%	100%

* Subject to successful acquisition and ETJ boundary adjustment

Benefits to Taxing Jurisdictions

It is estimated that Hays, Travis, and Williamson Counties’ combined 2000 population of 1.16 million will increase to over 1.4 million by 2010 and that job growth will remain high for the Central Texas region over that same period.

The size and scope of residential and commercial development made possible by the creation of TIRZ #2, the combination of new transportation infrastructure, and new housing will be necessary to accommodate this growth.

Over the 30-year life of the TIRZ, it is estimated that the city will collect \$31.9 million in combined new sales tax revenue, new franchise fee revenue, and new ad valorem tax due to residential and commercial development associated with the San Marcos TIRZ #2 project. It is estimated that Hays County will collect \$24.9 million in combined ad valorem tax retained from TIRZ revenue, and residential and commercial sales tax revenue.

A \$7.8 million overpass at Yarrington Road and the Union Pacific Railroad corridor will improve regional mobility, increase safety and security for area residents, and complete the first leg of a loop around the City of San Marcos. A proposal to develop another \$5 million in public use facilities including a school, parks, recreation center, and fire station will further enhance the city’s capacity to accommodate new growth.

Finally, it should be noted that all taxing entities are shielded from risk in that the developer provides the initial funding for the proposed infrastructure projects and only receives reimbursement from the TIRZ when and if increment is created by the project. The sole source of reimbursement to the developer is new real property tax revenue (increment) generated by the development itself.

New Taxes and Fees	City of San Marcos	Hays County
Residential Sales Tax Revenue	\$8,342,552	\$2,780,851
Residential Franchise Fee Revenues	\$12,572,684	\$0
Commercial Sales Tax Revenue	\$1,043,552	\$347,851
Commercial Franchise Fee Revenues	\$491,467	\$0
Ad Valorem Tax Retained from TIRZ Revenue	\$9,545,498	\$21,860,681
Estimated Total	\$31,995,753	\$24,989,383

Notes:
(1) Projections based on 30-year life of TIRZ
(2) Figures assume a 1.5% annual rate of inflation
(3) Franchise fees are based on average usage and include garbage collection, electricity, cable, gas, and telephone service
(4) Assuming 25% of proposed commercial square footage is store space, 75% is parking

This document constitutes the Project Plan for the Tax Increment Reinvestment Zone Number Two, City of San Marcos, as required by Chapter 311 of the Texas Tax Code.

The purpose of the Zone is to finance reimbursements for costs associated with construction of a \$7.8 million railroad overpass on Yarrington Road at its intersection with the Union Pacific Railroad tracks. The reinvestment zone includes agricultural and vacant land located on the northeastern edge of the city of San Marcos, which could not be developed beyond its current use but for the creation of such a zone.

Expenditures associated with the design and construction of public infrastructure, as well as other specific project-related costs, will be funded by tax increment revenue derived from increases in property values resulting from the new development.

TEXAS TAX CODE

SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS

CHAPTER 311. TAX INCREMENT FINANCING ACT

Sec. 311.011. PROJECT AND FINANCING PLANS

- (a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that created the zone. The plans must be as consistent as possible with the preliminary plans developed for the zone before the creation of the board.
- (b) The project plan must include:
 - (1) a map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of that property;
 - (2) proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
 - (3) a list of estimated non-project costs; and
 - (4) a statement of a method of relocating persons to be displaced as a result of implementing the plan.
- (c) The reinvestment zone financing plan must include:
 - (1) a detailed list describing the estimated project costs of the zone, including administrative expenses;
 - (2) a statement listing the kind, number, and location of all proposed public works or public improvements in the zone;
 - (3) an economic feasibility study;
 - (4) the estimated amount of bonded indebtedness to be incurred;
 - (5) the time when related costs or monetary obligations are to be incurred;
 - (6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in the zone;
 - (7) the current total appraised value of taxable real property in the zone;
 - (8) the estimated captured appraised value of the zone during each year of its existence; and
 - (9) the duration of the zone.



Existing Uses

1. Map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of that property

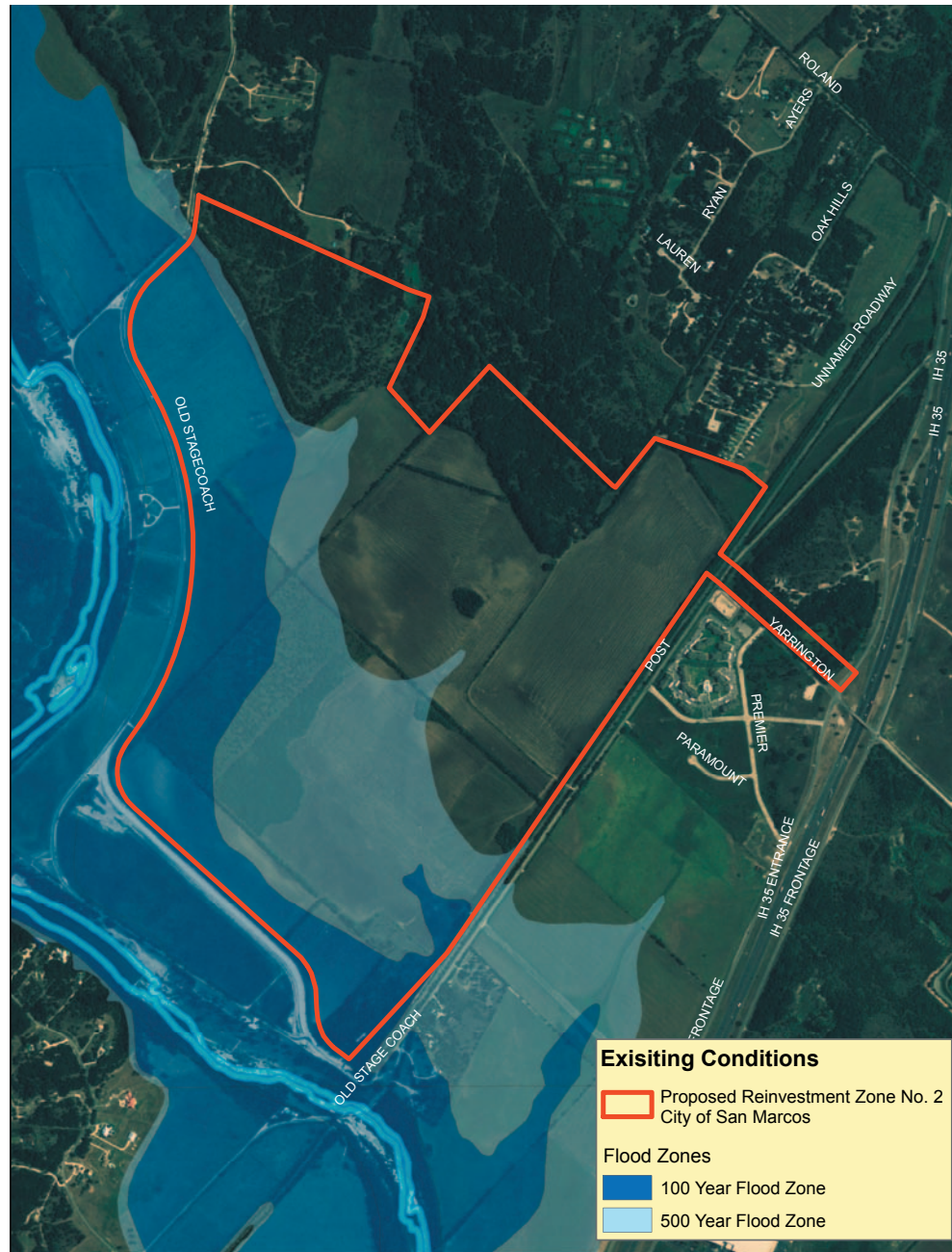
The proposed TIRZ consists of approximately 575 acres of undeveloped and agricultural land in and near the City of San Marcos in Hays County, Texas.

This property lacks adequate infrastructure to enable its development. The subject site has been utilized as farmland and is currently subject to an agricultural exemption from property taxes.

Development of the property is further constrained by the lack of basic infrastructure including public road access outside of flood-prone areas and drainage facilities. There is a predominance of defective or inadequate sidewalk or street layout, as well as problems with faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

Because of obsolete platting, deterioration of structures or site improvements, or other factors, the area substantially impairs or arrests the sound growth of the City.

The map on this page illustrates the current condition of the land. Maps on the following pages describe improvements and uses of the property proposed in this plan.



Proposed Infrastructure Improvements

1. Map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of that property

Infrastructure improvements proposed for TIRZ #2 are primarily related to a \$7.8 million railroad overpass on Yarrington Road at its intersection with the Union Pacific Railroad tracks in and near the city of San Marcos.

It is anticipated that the owner of the bulk of the real property within the Zone, Carma Blanco Vista, Limited (the “Developer”), will advance funds for the Project costs, and will be reimbursed from tax increment revenues of the Zone as provided in a separate agreement and other documentation between the Developer and the City (the “Reimbursement Agreement”).

It is also anticipated that the infrastructure improvement costs will include interest costs associated with the Project.



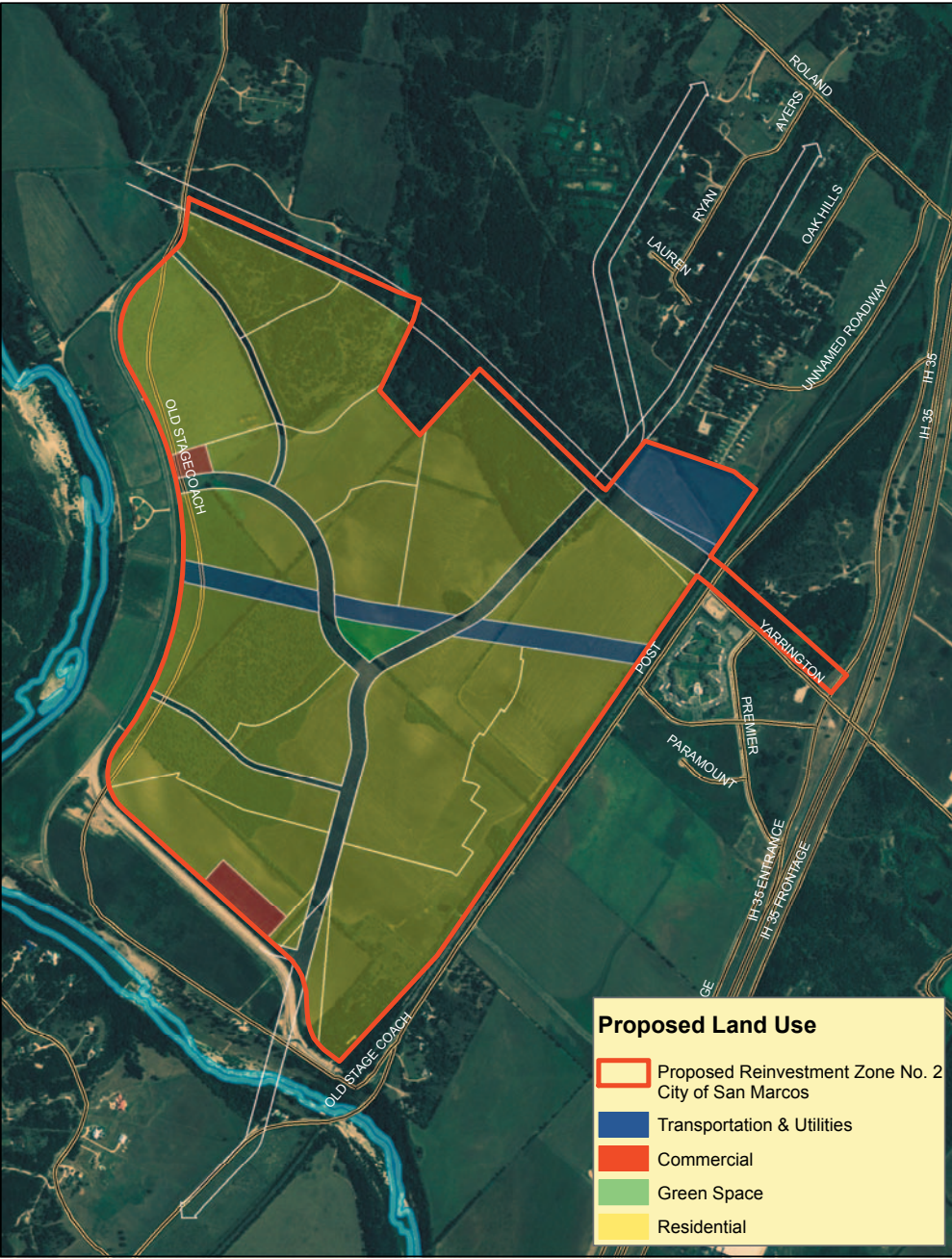
Proposed Uses

1. Map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of that property

Proposed uses consist primarily of single-family residential development with approximately 2,080 new homes. The proposed development will also include park, commercial, retail, and public use facilities components.

Various land uses are listed below per the Blanco Vista Subdivision Master Plan, along with their respective acreages and percentage of the gross land area.

Land Use	Acreage	Percent
Residential	414.8	72%
Recreational (creeks, ponds, trails)	68.5	12%
Roadways & Easements	47.7	8%
Retail, Commercial	23.2	4%
Public Use Facilities	20.4	4%
Total	574.6	100%



Estimated Non-Project	Cost	Sub-Total	Percent
Railroad Overpass	\$1,000,000	\$1,000,000	4%
Public Use Facilities			
Land for School - 11.5 acres	\$575,000		
Land for Parks - 3.7 acres	\$185,000		
Land for Recreation Center - 3.7 acres	\$185,000		
Land for Fire Station - 2.8 acres	\$140,000		
Recreation Center Facilities	\$1,500,000		
Fire Station Facilities	\$2,500,000	\$5,085,000	21%
Residential Development			
Sanitary Sewer	\$1,012,223		
Storm Sewers	\$4,161,479		
Retention/Detention Ponds	\$950,000		
Water	\$919,009		
Surface	\$3,442,033		
Engineering*	\$277,808		
Planning*	\$21,528		
Landscape Architecture*	\$117,500		
Landscaping Entries	\$1,048,500		
Landscaping Blvd.	\$1,386,250		
Landscaping Amenity Center	\$1,500,000		
Landscaping Creek, Drainage	\$855,000		
Landscaping Ponds	\$470,000		
Landscaping Fencing	\$1,062,917		
Landscaping Misc.	\$625,000	\$17,849,247	75%
Total	\$23,934,247	\$23,934,247	100%

* Pro-rated at 13% of total project cost

Changes to Municipal Ordinances

2. Proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;

All construction will be done in conformance with existing building code regulations of the City of San Marcos and Hays County. There are no proposed changes of any City ordinance, master plan, or building codes.

Estimated Non-Project Costs

3. A list of estimated non-project costs

Non-project costs include those development items that will be funded by the developer and for which no tax increment reimbursement is provided.

Method of Relocation

4. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

As the land within the TIRZ is vacant, there will be no displacement of residents.



Reinvestment Zone Financing Plan

This document constitutes the Reinvestment Zone Financing Plan for the Tax Increment Reinvestment Zone Number Two, City of San Marcos, as required by Chapter 311 of the Texas Tax Code.

The purpose of the Zone is to finance reimbursements for costs associated with the proposed railroad overpass public improvement project to be constructed in the Zone.

It is anticipated that the owner of the bulk of the real property within the Zone, Carma Blanco Vista, Limited (the “Developer”), will advance 100 percent of the funds for Project costs and will be reimbursed from tax increment revenues of the Zone as provided in a separate agreement and other documentation between the Developer and the City (the “Reimbursement Agreement”).

It is also anticipated that the infrastructure improvement costs will include interest costs associated with the Project.

Expenditures associated with the design and construction of public infrastructure, as well as other specific project-related costs, will be funded by tax increment revenues derived from increases in property values resulting from the new development.



List of Estimated Project Costs

1. A detailed list describing the estimated project costs of the zone, including administrative expenses

This table itemizes the estimated infrastructure project costs for the Zone. It is anticipated that the developer will advance \$7.8 million in funds for the public improvements and will be reimbursed as provided in separate agreements between the developer and the TIRZ. Administrative expenses are estimated to be \$250,000 over the 30-year life of the TIRZ.

Projects	TIRZ Projects
Site Preparation	
Stripping & Grading	\$120,000
Erosion Controls	\$71,000
Sanitary Sewer	\$50,000
Detention Ponds	\$205,000
Surface	\$4,850,000
Professional Services	
Engineering	\$652,705
Engineering - Preliminary	\$130,000
Engineering - Detailed	\$42,295
Legal Survey	\$37,050
Landscape Architecture	\$6,000
Geotechnical - Soils	\$125,000
Municipal Fees	
ROW Acquisition Costs	\$375,000
Condemnation Costs	\$25,000
Electrical Line Relocation	\$500,000
Miscellaneous	
Bonding - Subdivision	\$100,000
Project Mobilization	\$300,000
Traffic Control	\$55,000
Landscaping - Median	\$50,000
Contingency	\$146,067
Total	\$7,840,117
Administration (30 years)	\$250,000
Total	\$8,090,117



Statement of Proposed Public Works

2. A statement listing the kind, number, and location of all proposed public works or public improvements in the zone

The public infrastructure improvements that the TIRZ is designed to facilitate will be located throughout the Zone. These improvements will provide public infrastructure to a commercial and residential community. This map illustrates the location of the proposed improvements.



3. An Economic Feasibility Study

In February 2005, Residential Strategies, Inc. (RSI) performed a market feasibility report for the San Marcos TIRZ #2, a 575-acre tract that is planned to contain 2,080 total lots upon build out.

RSI analyzed new home development within a 12-mile radius of the subject site in an effort to demonstrate typical values and velocities within the competitive submarket. Of the total 1,355 annual new home starts within the competitive area, 864 came from homes priced \$111,000 to \$150,000, and this is what RSI considers the heart of the market in Kyle, Buda, and surrounding areas.

The overall supply of lots in the competitive market area stood at 18.5 months (2,088 vacant developed lots), but an additional 13,431 future lots have been identified within the market area. As a result, there will not be a shortage of lots in this market for quite some time.

The subject site's location at the southern end of Kyle, near San Marcos, will give residents convenient access to employment centers, retail, and service establishments in both San Marcos and the greater Austin metro area to the north.

Overall, RSI feels that the San Marcos site presents a unique opportunity to provide buyers with a master-planned community between Kyle and San Marcos. Through common architectural elements, monumentation, high-quality amenities, and strong marketing efforts, RSI forecasts a start rate of approximately 122 units during the first full year of development. This forecast assumes homes within the subject development will be priced from \$107,500 to \$152,500 and over.

Price Point Share of Competitive Market Area (12-mile radius)

Price Point	Annual Starts	Percent	Vacant Lots	Months of Supply
< \$110,000	7	0.5%	53	90.9
\$111,000 - \$150,000	864	63.8%	1,260	17.5
\$151,000 - \$200,000	395	29.1%	379	11.5
\$201,000 - \$250,000	13	1.0%	11	10.2
\$251,000 - \$300,000	26	1.9%	126	58.2
\$301,000 - \$500,000	50	3.7%	259	62.2
Total	1,355	100%	2,088	

Year One Forecast

FF Lot Size	Lot Price	Est. Home Price	Recommended Builders	Absorption Forecast
40'	\$21,500 - 25,500	\$107,500 - 127,500	1	36
50'	\$23,500 - 27,500	\$117,500 - 137,500	2	48
60'	\$26,500 - 30,500	\$132,500 - 152,500	2	38
				Total = 122

Year Two Forecast

FF Lot Size	Lot Price	Est. Home Price	Recommended Builders	Absorption Forecast
40'	\$22,360 - 26,520	\$111,800 - 132,600	1	48
50'	\$24,440 - 28,600	\$122,200 - 143,000	2	60
60'	\$27,560 - 31,720	\$137,800 - 158,600	2	50
				Total = 158

Estimated Bonded Indebtedness

4. The estimated bonded indebtedness to be incurred

No bonded indebtedness is anticipated to be incurred by the City or the Zone in connection with this project. Should bonded indebtedness be incurred, it would be estimated to represent approximately twice the project cost, or \$15 million.

Time when Costs/Obligations Incurred

5. The time when related costs or monetary obligations are to be incurred

The time when related costs or monetary obligations are to be incurred is a function of the availability of TIRZ revenues. This summary shows the time when TIRZ funds are expected to be available to pay project costs. Details of the time when related costs or monetary obligations are to be incurred are shown on Schedule D.

Zone Increment Revenue

Tax Year	Coll. Year	City Zone Collection	County Zone Collection	Total Zone Revenue Collection
2005	2006	\$0	\$0	\$0
2006	2007	\$0	\$0	\$0
2007	2008	\$0	\$0	\$0
2008	2009	\$31,304	\$35,211	\$66,515
2009	2010	\$121,319	\$132,849	\$254,168
2010	2011	\$199,579	\$220,876	\$420,455
2011	2012	\$331,075	\$364,450	\$695,524
2012	2013	\$462,696	\$506,322	\$969,018
2013	2014	\$606,073	\$657,805	\$1,263,877
2014	2015	\$771,893	\$829,439	\$1,601,332
2015	2016	\$943,356	\$1,005,687	\$1,949,042
2016	2017	\$934,971	\$1,005,687	\$1,940,657
2017	2018	\$926,376	\$1,005,687	\$1,932,063
2018	2019	\$917,567	\$1,005,687	\$1,923,253
2019	2020	\$908,537	\$1,005,687	\$1,914,224
2020	2021	\$899,282	\$1,005,687	\$1,904,968
2021	2022	\$889,795	\$1,005,687	\$1,895,481
2022	2023	\$880,071	\$1,005,687	\$1,885,757
2023	2024	\$870,104	\$1,005,687	\$1,875,790
2024	2025	\$859,887	\$1,005,687	\$1,865,574
2025	2026	\$849,416	\$1,005,687	\$1,855,102
2026	2027	\$838,682	\$1,005,687	\$1,844,369
2027	2028	\$827,680	\$1,005,687	\$1,833,367
2028	2029	\$816,403	\$1,005,687	\$1,822,090
2029	2030	\$804,845	\$1,005,687	\$1,810,531
2030	2031	\$792,997	\$1,005,687	\$1,798,683
2031	2032	\$780,853	\$1,005,687	\$1,786,539
2032	2033	\$768,405	\$1,005,687	\$1,774,092
2033	2034	\$755,646	\$1,005,687	\$1,761,333
2034	2035	\$742,569	\$1,005,687	\$1,748,255
		\$19,531,378	\$22,860,681	\$42,392,060

Financing, Expected Sources Revenue

6. A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in the zone.

Methods of Financing. The Developer will advance funds for the Project costs, and the Zone will reimburse these costs from tax increment revenues of the Zone as they are realized by the Zone. The reimbursement will be as described in a separate agreement and other documentation between the Developer and the City. A portion of the Project costs will be borne by the Developer as described in Schedule D and in the Reimbursement Agreement.

Sources of Tax Increment Revenue. The tax increment revenue necessary to pay the project costs is expected to come from increased property values in the Zone due to the construction of new homes and commercial buildings. Schedules A and B display the projected residential and commercial build out schedules. The projected assessed valuations resulting from the construction are shown in Schedule C. Schedule D presents the estimated incremental property tax revenues associated with the development. These new revenues will be used to pay for Zone costs.

This plan is based on contribution rates shown from the City of San Marcos and Hays County.

Participating Jurisdictions

Taxing Jurisdiction	Total Tax Rate	Tax Rate Dedicated	% Dedicated
City of San Marcos	\$0.470/\$100	\$0.470/\$100	100%
Hays County	\$0.384/\$100	\$0.192/\$100*	50%

* Up to \$1,000,000

Current Appraised Value of Property

7. Current Total Appraised Value of Property in the Zone

The total current appraised value within the Zone is \$1,707,530.

Estimated Captured Value

8. Estimated Captured Value of Zone in Each Year of Existence

The estimated captured appraised value of the TIRZ during each year of its existence is shown on this table.

Duration of Zone

9. Duration of Zone

The duration of the Zone is 30 years. The TIRZ will take effect on the date it is created, and it is anticipated that the City Council will establish January 1, 2005 as the base year of the TIRZ. The TIRZ will terminate on December 31, 2035, or the date when all project costs are paid and any debt is retired, or by a subsequent city ordinance terminating the Zone.

Zone Increment Value

Tax Year	Coll. Year	Increment in Residential Valuation	Increment in Commercial Valuation	Total Increment Assessed Valuation
2006	2007	\$0	\$0	\$0
2007	2008	\$0	\$0	\$0
2008	2009	\$9,600,000	\$0	\$9,600,000
2009	2010	\$33,600,000	\$2,500,000	\$36,100,000
2010	2011	\$57,600,000	\$2,500,000	\$60,100,000
2011	2012	\$95,100,000	\$4,000,000	\$99,100,000
2012	2013	\$133,575,000	\$4,000,000	\$137,575,000
2013	2014	\$172,050,000	\$6,500,000	\$178,550,000
2014	2015	\$215,850,000	\$9,000,000	\$224,850,000
2015	2016	\$260,850,000	\$11,500,000	\$272,350,000
2016	2017	\$267,371,250	\$11,787,500	\$279,158,750
2017	2018	\$274,055,531	\$12,082,188	\$286,137,719
2018	2019	\$280,906,920	\$12,384,242	\$293,291,162
2019	2020	\$287,929,593	\$12,693,848	\$300,623,441
2020	2021	\$295,127,832	\$13,011,194	\$308,139,027
2021	2022	\$302,506,028	\$13,336,474	\$315,842,503
2022	2023	\$310,068,679	\$13,669,886	\$323,738,565
2023	2024	\$317,820,396	\$14,011,633	\$331,832,029
2024	2025	\$325,765,906	\$14,361,924	\$340,127,830
2025	2026	\$333,910,053	\$14,720,972	\$348,631,026
2026	2027	\$342,257,805	\$15,088,997	\$357,346,801
2027	2028	\$350,814,250	\$15,466,222	\$366,280,471
2028	2029	\$359,584,606	\$15,852,877	\$375,437,483
2029	2030	\$368,574,221	\$16,249,199	\$384,823,420
2030	2031	\$377,788,577	\$16,655,429	\$394,444,006
2031	2032	\$387,233,291	\$17,071,815	\$404,305,106
2032	2033	\$396,914,123	\$17,498,610	\$414,412,733
2033	2034	\$406,836,977	\$17,936,075	\$424,773,052
2034	2035	\$417,007,901	\$18,384,477	\$435,392,378
2035	2036	\$427,433,098	\$18,844,089	\$446,277,188

* Assumes 2.5% growth from inflation after buildout is completed

Schedule A
Residential Build Out Schedule (in thousands)

	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015	
	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)	Home Construction	Captured Value (K)
Residential Project Values																				
SINGLE FAMILY					80	\$9,600	200	\$24,000	200	\$24,000	200	\$24,000								680
Homes - Section 1																				
Homes - Section 2											100	\$13,500	285	\$38,475	285	\$38,475	80	\$10,800		750
Homes - Section 3																	220	\$33,000	300	\$45,000
																				520
Total Home Sales	0		0		80		200		200		300		285		285		300		300	1950
Total Captured Value		\$0		\$0		\$9,600		\$24,000		\$24,000		\$37,500		\$38,475		\$38,475		\$43,800		\$260,850
Cumulative Captured Value		\$0		\$0		\$9,600		\$33,600		\$57,600		\$95,100		\$133,575		\$172,050		\$215,850		\$260,850

Note:
 1. Captured value is presented in thousands of dollars.
 2. Projected value of home construction is in 2004 dollars excluding inflation.
 3. Home construction in a calendar year results in captured appraised value in the following tax year.

Commercial Project Values	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015	
	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)	Square Feet (K)	Captured Value (K)
Retail / Commercial (23 acres)							50	\$2,500			30	\$1,500			50	\$2,500	50	\$2,500	50	\$2,500
Total Captured Value		\$0		\$0		\$0		\$2,500		\$0		\$1,500		\$0		\$2,500		\$2,500		\$2,500
Cumulative Captured Value		\$0		\$0		\$0		\$2,500		\$2,500		\$4,000		\$4,000		\$6,500		\$9,000		\$11,500

Note:
1. Captured value is presented in thousands of dollars.



Schedule C
Projected Assessed Valuations

Tax Roll Jan 1	Incremental Residential Assessed Valuation	Residential Cumulative Assessed Valuation	County Homestead Exemption Amount (1)	No. of Homes Added	Cum. No. of Homes	Senior Citizens Exemption			Commercial Valuation	City Projected Taxable Valuation	County Projected Taxable Valuation
						Number of Eligible Homes (2)	City Exemption Amount (3)	County Exemption Amount (4)			
2005	\$-	\$0	\$0	0	0	0.0	\$0	\$0	\$-	0	0
2006	\$0	\$0	\$0	0	0	0.0	\$(0)	\$0	\$0	0	0
2007	\$0	\$0	\$0	0	0	0.0	\$(0)	\$0	\$0	0	0
2008	\$9,600,000	\$9,600,000	\$(400,000)	80	80	1.6	\$(16,000)	\$(40,000)	\$0	9,584,000	9,160,000
2009	\$24,000,000	\$33,600,000	\$(1,400,000)	200	280	5.6	\$(56,000)	\$(140,000)	\$2,500,000	36,044,000	34,560,000
2010	\$24,000,000	\$57,600,000	\$(2,400,000)	200	480	9.6	\$(96,000)	\$(240,000)	\$2,500,000	60,004,000	57,460,000
2011	\$37,500,000	\$95,100,000	\$(3,900,000)	300	780	15.6	\$(156,000)	\$(390,000)	\$4,000,000	98,944,000	94,810,000
2012	\$38,475,000	\$133,575,000	\$(5,325,000)	285	1065	21.3	\$(213,000)	\$(532,500)	\$4,000,000	137,362,000	131,717,500
2013	\$38,475,000	\$172,050,000	\$(6,750,000)	285	1350	27.0	\$(270,000)	\$(675,000)	\$6,500,000	178,280,000	171,125,000
2014	\$43,800,000	\$215,850,000	\$(8,250,000)	300	1650	33.0	\$(330,000)	\$(825,000)	\$9,000,000	224,520,000	215,775,000
2015	\$45,000,000	\$260,850,000	\$(9,750,000)	300	1950	39.0	\$(390,000)	\$(975,000)	\$11,500,000	271,960,000	261,625,000
Total	\$260,850,000			1,950							

Note:

(1) County Homestead Exemption is 1% or \$5,000

(2) Senior Citizen Exemption projected @ 2% of total homes built

(3) City Senior exemption is \$10,000

(4) County Senior Exemption is \$25,000



Schedule D
Projected Zone Revenue

Tax Year	Coll. Year	City Tax Rate	City Zone Collection	City Retained Revenue	City Zone Collection	50% County Tax Rate	County Zone Collection	Zone Revenue Available for Developer Projects	Cumulative Zone Revenue Available for Dev. Projects	Hays C.I.S.D. Tax Rate	Hays C.I.S.D. Zone Collection
2005	2006	\$0.470	\$0	\$0	\$0	\$0.192	\$0	\$0	\$0	\$1.876	\$0
2006	2007	\$0.470	\$0	\$0	\$0	\$0.192	\$0	\$0	\$0	\$1.876	\$0
2007	2008	\$0.470	\$0	\$0	\$0	\$0.192	\$0	\$0	\$0	\$1.876	\$0
2008	2009	\$0.470	\$45,064	\$(13,760)	\$31,304	\$0.192	\$17,606	\$48,910	\$48,910	\$1.876	\$171,869
2009	2010	\$0.470	\$169,479	\$(48,160)	\$121,319	\$0.192	\$66,424	\$187,743	\$236,653	\$1.876	\$648,449
2010	2011	\$0.470	\$282,139	\$(82,560)	\$199,579	\$0.192	\$110,438	\$310,017	\$546,670	\$1.876	\$1,078,122
2011	2012	\$0.470	\$465,235	\$(134,160)	\$331,075	\$0.192	\$182,225	\$513,300	\$1,059,969	\$1.876	\$1,778,920
2012	2013	\$0.470	\$645,876	\$(183,180)	\$462,696	\$0.192	\$253,161	\$715,857	\$1,775,826	\$1.876	\$2,471,416
2013	2014	\$0.470	\$838,273	\$(232,200)	\$606,073	\$0.192	\$328,902	\$934,975	\$2,710,801	\$1.876	\$3,210,818
2014	2015	\$0.470	\$1,055,693	\$(283,800)	\$771,893	\$0.192	\$41,244	\$813,137	\$3,523,938	\$1.876	\$4,048,586
2015	2016	\$0.470	\$1,278,756	\$(335,400)	\$943,356			\$943,356	\$4,467,294	\$1.876	\$4,908,870
2016	2017	\$0.470	\$1,278,756	\$(343,785)	\$934,971			\$934,971	\$5,402,265	\$1.876	\$4,908,870
2017	2018	\$0.470	\$1,278,756	\$(352,380)	\$926,376			\$926,376	\$6,328,641	\$1.876	\$4,908,870
2018	2019	\$0.470	\$1,278,756	\$(361,189)	\$917,567			\$917,567	\$7,246,208	\$1.876	\$4,908,870
2019	2020	\$0.470	\$1,278,756	\$(370,219)	\$908,537			\$908,537	\$8,154,745	\$1.876	\$4,908,870
2020	2021	\$0.470	\$1,278,756	\$(379,474)	\$899,282			\$899,282	\$9,054,027	\$1.876	\$4,908,870
2021	2022	\$0.470	\$1,278,756	\$(388,961)	\$889,795			\$889,795	\$9,943,821	\$1.876	\$4,908,870
2022	2023	\$0.470	\$1,278,756	\$(398,685)	\$880,071			\$880,071	\$10,823,892	\$1.876	\$4,908,870
2023	2024	\$0.470	\$1,278,756	\$(408,652)	\$870,104			\$870,104	\$11,693,996	\$1.876	\$4,908,870
2024	2025	\$0.470	\$1,278,756	\$(418,869)	\$859,887			\$859,887	\$12,553,883	\$1.876	\$4,908,870
2025	2026	\$0.470	\$1,278,756	\$(429,340)	\$849,416			\$849,416	\$13,403,299	\$1.876	\$4,908,870
2026	2027	\$0.470	\$1,278,756	\$(440,074)	\$838,682			\$838,682	\$14,241,981	\$1.876	\$4,908,870
2027	2028	\$0.470	\$1,278,756	\$(451,076)	\$827,680			\$827,680	\$15,069,661	\$1.876	\$4,908,870
2028	2029	\$0.470	\$1,278,756	\$(462,353)	\$816,403			\$816,403	\$15,886,064	\$1.876	\$4,908,870
2029	2030	\$0.470	\$1,278,756	\$(473,911)	\$804,845			\$804,845	\$16,690,909	\$1.876	\$4,908,870
2030	2031	\$0.470	\$1,278,756	\$(485,759)	\$792,997			\$792,997	\$17,483,905	\$1.876	\$4,908,870
2031	2032	\$0.470	\$1,278,756	\$(497,903)	\$780,853			\$780,853	\$18,264,758	\$1.876	\$4,908,870
2032	2033	\$0.470	\$1,278,756	\$(510,351)	\$768,405			\$768,405	\$19,033,163	\$1.876	\$4,908,870
2033	2034	\$0.470	\$1,278,756	\$(523,110)	\$755,646			\$755,646	\$19,788,810	\$1.876	\$4,908,870
2034	2035	\$0.470	\$1,278,756	\$(536,187)	\$742,569			\$742,569	\$20,531,378	\$1.876	\$4,908,870
			\$29,076,877	\$(9,545,498)	\$19,531,378		\$1,000,000	\$20,531,378			\$111,585,578

